



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 445-4982 • FAX 916 323-8765
www.boe.ca.gov

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February 2, 2006

TO: INTERESTED PARTIES

Enclosed is a copy of Current Legal Digest (CLD) number 2006-1 for your information and review. The annotations included in this CLD are new proposed annotations (underlined) and/or suggested revisions or deletion of existing annotations (indicated by ~~strikeout~~ and underline). After review, please submit any questions, comments, or suggestions for changes *in writing* by **Friday, March 3, 2006**. These may be sent by e-mail using the "Comments Form" on the Board's website (www.boe.ca.gov/proptaxes/cld.htm), fax or mail. Here is the mailing address:

Board of Equalization
Assessment Policy and Standards Division
ATTN: Annotation Coordinator
P. O Box 942879
Sacramento, CA 94279-0064

Please note, the new annotations and/or suggested revisions of existing annotations contained in the enclosed CLD are *drafts* and may not accurately reflect the Board's official position on certain issues nor reflect the language that will be used in the final annotation, if formally adopted.

CLDs are circulated for 30 days, at which time any questions are addressed and/or suggested modifications taken into consideration. After approval of the final version by the Board's Legal Department, they will be printed in Volume 3 of the Property Taxes Law Guide. At that time, the CLD becomes obsolete.

Copies of the backup correspondence are available by e-mail using the "Comments Form" on the Board's website (www.boe.ca.gov/proptaxes/cld.htm). If you have any questions, please contact Glenna Schultz at 916-324-5836.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG/grs
Enclosure

PROPERTY AND SPECIAL TAXES DEPARTMENT

PROPERTY TAXES CURRENT LEGAL DIGEST NO. 2006-1

February 2, 2006

170.0000 ASSESSMENT

170.0005 Allocation of Value. An assessor may reallocate land and improvement values for a single-family residence when a property is substantially renovated within two years of its original purchase. Revenue and Taxation Code section 51.5 allows an assessor to correct any base year value error or omission within four years after enrolling an assessment if that error was the result of the exercise of value judgment. C 8/2/2005.

205.0000 BUSINESS INVENTORY EXEMPTION

205.0315 Tomato Paste Bins. If title to tomato paste bins passes to the purchasers of the tomato paste in accordance with the provisions of Property Tax Rule 133(a)(1), then the bin or drum may be considered part of the container of the tomato paste and is eligible for the business inventory exemption. Pallets and rigid delivery cases can be considered containers eligible for exemption when the products that they hold, enclose or contain are placed on or in the pallets or rigid delivery cases at the time of manufacture and are not removed until the products are ready to be used or consumed by the purchaser. In shipping tomato paste, each foil bag is attached to or placed in a wooden bin or 55-gallon drum prior to being filled with tomato paste, and the foil bag is not removed from its bin or drum until the tomato paste is ready to be utilized by the purchaser of the paste. C 10/25/2005.

220.0000 CHANGE IN OWNERSHIP

220.0393 Limited Partnership. A merger of two limited partnerships will result in a change in ownership of the real property owned by both partnerships if the ownership interests in the capital and profits of both partnerships are not identical before and after the transfer. C 9/30/2005.